

# HOUSE BILL REPORT

## ESHB 1368

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### As Amended by the Senate

**Title:** An act relating to special purpose district commissioner per diem compensation.

**Brief Description:** Concerning special purpose district commissioner per diem compensation.

**Sponsors:** By House Committee on Local Government (originally sponsored by Representatives Simpson, Hinkle, Armstrong and Linville).

#### Brief History:

##### Committee Activity:

Local Government: 1/25/07, 2/6/07 [DPS].

##### Floor Activity:

Passed House: 2/28/07, 95-0.

Senate Amended.

Passed Senate: 4/12/07, 48-0.

#### Brief Summary of Engrossed Substitute Bill

- Increases various special purpose district commissioners' per diem compensation.
- Requires the Office of Financial Management to adjust the established dollar thresholds for per diem compensation every five years according to the consumer price index.
- Prohibits a special purpose district commissioner from collecting per diem compensation for more than one district while attending meetings or conducting business on behalf of more than one district.

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#### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Simpson, Chair; Eddy, Vice Chair; Curtis, Ranking Minority Member; Schindler, Assistant Ranking Minority Member; Ross, B. Sullivan and Takko.

**Staff:** Jessica Nowakowski (786-7291); Thamas Osborn (786-7129).

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

## **Background:**

### **Special Purpose Districts**

In Washington, a special purpose district (SPD) is a limited purpose local government separate from a city, town, or county government. Special purpose districts provide an array of services and facilities that are otherwise not available from city or county governments. Most powers of SPDs are vested in a board of district commissioners, board of district trustees, or board of district directors. Per diem compensation is available for select SPD positions for performance of services on behalf of the district, such as attendance at meetings or time spent devoted to the business of the district.

### **Consumer Price Index**

The consumer price index (CPI) is an index prepared and published by the Bureau of Labor Statistics of the U.S. Department of Labor which measures average changes in prices of goods and services. It is used to illustrate the extent that prices have risen or the amount of inflation that has taken place.

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## **Summary of Engrossed Substitute Bill:**

The maximum daily and/or annual compensation for 15 SPDs is increased. The Office of Financial Management is directed to adjust the "dollar thresholds" for per diem compensations according to the SPD every five years beginning July 1, 2008. If more than one CPI is developed by the Bureau of Labor Statistics for areas within Washington, the index covering the greatest number of people, exclusively within the boundaries of the state, must be used for the adjustment for inflation

A commissioner for two or more special purpose districts may only receive per diem compensation for one of his or her commissioner positions as compensation for attending a meeting or conducting business while representing more than one of his or her districts. Compensation may be collected from more than one district if approval has been granted by resolution of all boards of the affected commissions.

### **Various SPD Commissioners**

The following SPD commissioner/director maximum per diem compensations are increased from \$70 per day to \$90 per day and from \$6,720 per year to \$8,640 per year:

- Metropolitan Park Commissioners;
- Board of Fire Commissioners;
- Water-Sewer District Commissioners;
- Cemetery District Commissioners;
- Public Hospital Districts Commissioners;
- Board of Diking Commissioners;
- Board of Drainage Commissioners;
- Diking, Drainage, and Sewerage Improvement District Commissioners;
- Drainage and Diking District Board Members;

- Flood Control Board of Directors;
- Irrigation District Directors; and
- Special District Government Body Commissioners.

***Port District Commissioners***

The maximum per diem compensation for commissioners of a port district with an annual income of less than \$25 million is increased from \$70 per day to \$90 per day and from \$6,720 per year to \$8,640 per year.

Commissioners of a port district with an annual income of more than \$25 million may receive a maximum per diem compensation that is increased from \$70 per day to \$90 per day and from \$8,400 per year to \$10,800 per year.

***Public Utility District Commissioners***

The maximum per diem compensation for public utility district commissioners is increased from \$70 per day to \$90 per day and from \$9,800 per year to \$12,600 per year.

***Public Transportation Benefit Authorities Board Members***

The maximum per diem compensation for public transportation benefit authority board members is increased from \$70 per day to \$90 per day.

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**EFFECT OF SENATE AMENDMENT(S):**

The Senate amendment provides more specific language clarifying that special purpose district commissioners are entitled to per diem compensation only for actual attendance at official meetings or for the performance of other official duties or services on behalf of the district.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:**

(In support) The Legislature periodically makes adjustments to special purpose district commissioners' per diem compensations. This bill reflects past legislation when it comes to applying increases to commissioners. The increase will also be reflective of the consumer price index. Most commissioners are non-salaried public servants and the per diem compensation is for taking time out of their day to go to a meeting.

(Opposed) None.

**Persons Testifying:** Joe Daniels; Washington Association of Water/Sewer Districts; Steve Duncan, Washington Public Utility District Association; and Ryan Spiller, Washington State Fire Commissioners.

**Persons Signed In To Testify But Not Testifying:** None.